



REPUBLIKA E SHQIPËRISË

**ENERGY REGULATOR AUTHORITY
BOARD**

DECISION

No. 51, Dated 02.04.2024

ON

**THE REQUEST OF TSO COMPANY ON THE TIME INTERVAL OF 1 HOUR IN THE
OPERATION OF THE BALANCING MARKET PROCESSES, AND NOMINATIONS OF
COMMERCIAL TRANSACTIONS**

Based on Article 16, of Law no. 43/2015, "On Power Sector", as amended, as well as Article 15 of the the *Regulation for ERE Organization, Operation and Procedures*, approved with Energy Regulator Authority (ERE) Board decision no. 96, dated 17.06.2016; ERE Board on their meeting dated 02.04.2024, after reviewing the report Protocol no. 237/1 dated 29.03.2024, prepared by the Technical Directorates "On the request of TSO company for the time interval of 1 hour in the operation of balancing market processes, and nominations of commercial transactions".

Observed that:

- ERE Board with decision no. 106, dated 02.07.2020, decided to approve *the Albanian Electricity Balancing Market Rules*.
- TSO company in function of the operation of the Albanian Electricity Balancing Market through official letter Protocol no. 532 dated 24. 01. 2024, submits at ERE as follows: Following the communications so far and in accordance with ERE Board decision no. 110, dated 27.03.2023, "On the request of TSO company for the time interval of 1 hour in the operation of balancing market processes, and nominations of commercial transactions", where item 1 states the following: Partial acceptance of the request of TSO company, "The time period of the processes in which the nominations and the respective calculations of the imbalances are included, shall be carried out with a time interval of 1 hour, from April 1, 2023 to April 1, 2024 period.
- However, despite the implementation in the TSO market management platform, of the time interval in accordance with ERE Board decision no. 106, dated 02.07.2020, TSO company emphasizes that: it is essential to operate in harmony with the platform of the Albanian Power

Exchange; especially in the conditions where the cooperation of the market management platform with the platform of the Albanian Power Exchange has an hourly resolution, since the Albanian Power Exchange also operates on an hourly basis in accordance with ERE Board decision no. 347, dated 27.12.2022 "*On the approval of the Electricity Market Rules (ALPEX rules, definitions, trading procedure as well as clearing and settlement procedure)*".

- In order to harmonize the two electricity markets, the day-ahead market and the balancing market, TSO company estimates that the operation of balancing market processes and nominations of commercial transactions shall continue with the 1-hour time interval until the transition of the operation of the Albanian Power Exchange to the 15-minute time interval.
- As far as submitted by TSO company through an official letter protocolled at ERE with Protocol no. 532 dated 24. 01. 2024, ERE presents the following:
 - Throughout April 1, 2021, the moment when the operation of the electricity balancing market began based on the Albanian Electricity Balancing Market Rules approved with ERE board decision no. 106/2020, TSO company did not apply the resolution of 15 minutes and following the operation of the electricity balancing market in the periodic reports made by TSO company no problem has been identified in the balancing market which is related to the time interval of 1 hour in which the processes involving the nominations and the respective calculations of imbalances in the market are carried out.
 - The other participants of the electricity market who operate in the balancing market have not submitted at ERE during this period of time, concerns or issues related to the time interval of 1 hour in which the processes involving nominations and respective calculations of imbalances are carried out in the market.
 - ERE Board with decision no. 108, dated 22.04.2021, approved "*the Common settlement rules for exchanges of energy in accordance with the articles 50(3) and 51(1), of Commission Regulation (EU) 2017/2195*". These rules are applied by the TSOs of continental Europe, members of ENTSO - E, as of June 1, 2021. Currently, for TSO company the application of these rules is being carried out with a time interval of 1 hour. In this context, the application of the time interval of 1 hour in the internal balancing market of electricity does not bring any consequences for this mechanism, on the contrary, the application of the time interval of 1 hour also in the internal balancing market affects the harmonization of these processes.
 - Also, the assessment provided by AAES, which considers as positive the functioning of the Albanian balancing market in the 15-minute resolution in the stability of the electric power system, is an accurate assessment and addresses this issue in a fair way.
 - Provided that ALPEX has started the commercial operation of the electricity market as well as the operation of wholesale electricity market coupling, it is considered reasonable to partially accept the request of TSO company. For the period until July 1, 2024, for one year, the electricity balancing market shall be operated with a time interval of 1 hour. During this

3-month period, it shall be possible to evaluate the performance of the market operated by ALPEX and the balancing market operated by TSO company in cooperation with the parties responsible for Balancing and cross-border ones.

- During the progress of the commercial operation of the two markets (ALPEX company and TSO company) ERE shall be able to have a more complete assessment for a final assessment of the harmonization of the markets where it shall be assessed in real terms also the impact on the stability of the electric power system as for the commercial operation of the Electricity market that shall be operated by ALPEX and the balancing market, evaluating it in cooperation with ALPEX company, the parties responsible for Balancing and the cross-border ones.

For all of the above mentioned, ERE Board

Decided:

1. To partially accept the request of TSO company deciding: The time period of the processes that include the nominations and the respective calculations of the imbalances to be carried out with a time interval of 1 hour for until July 1, 2024.
2. TSO company shall report every month at ERE and carry out relevant tests with market participants, power exchange operators and adjacent TSOs for the implementation of the 15-minute time interval.
3. The Legal Directory shall inform the interested parties about ERE Board decision.

This decision enters immediately into force.

Any party involved in this procedure may request from ERE, - within 7 calendar days from the date of the decision, to review the board decision if it has provided new evidence that could lead the board to obtain a decision different from the previous one or for material errors ascertained. This decision can be appealed in the Administrative Court of Tirana, within 30 calendar days from the day of publication in the Official Gazette.

This decision shall be published on the Official Gazette.

CHAIRPERSON IN DUTY

Erjola SADUSHI